CHAPTER 1

CHAPTER 1

INTRODUCTION TO DEERS

A. GENERAL

    1. Introduction

        a. The Defense Enrollment Eligibility Reporting System, **DEERS,** is a new system that affects everyone entitled to Uniformed Services benefits: the United States Army, Navy, Marine Corps, Air Force, Coast Guard, Commissioned Corps of the Public Health Service, and Commissioned Corps of the National Oceanic and Atmospheric Administration; active duty members and retirees, dependents, and survivors.

        b. The potential for improvement in the management of Uniformed Services resources and benefits, as a result of **DEERS,** is extensive and far reaching. For the first time, there will be an accurate accounting **of** all those who are eligible for Uniformed Services benefits, not just sponsors.   With this up-to-date data base on the Uniformed Services population, managers will be able to improve their planning, programing, budgeting, and allocation for many benefits, in such areas as health care, education, housing, child care, commissaries, exchanges, and facilities planning and construction, at both the headquarters and local levels.

        c. Since DEERS contains active duty and retiree data, total force planning can be enhanced as the system expands to include interfaces with the data bases of the Reserves, National Guard, Selective Service, and the Military Enlistment Processing Command **(MEPCOM).**

        d. The accomplishment of long-range **DEERS** goals will offer significant gains in administrative management and personnel services by reducing paperwork and increasing the accuracy of personnel data files.   Furthermore, potential exists for extensive application in the planning and preparation for mobilization and contingencies.

    2. Background

        a. In **1974,** Congress expressed concern about the Department of Defense's ability to control and allocate military health care resources and to minimize the fraudulent use of these resources.   Congress provided study monies and directed the Department of Defense to initiate analyses to investigate the problem.

        b. The Department of Defense operates one of the largest health care systems in the world. Care is provided directly, through more than 150 military hospitals and approximately 300 clinics worldwide, and indirectly, through the

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) , a cost-sharing health insurance program. The beneficiary population, estimated to be between 9 and 12 million, includes active duty and retired members (both referred to as sponsors) of the Army, Navy, Marine Corps, and Air Force, and their dependents and survivors. In addition, legislative action and reciprocal agreements authorize the provision of health care to beneficiaries of the Department of Defense, United States Coast Guard (USCG), the Commissioned Corps of the United States Public Health Service (USPHS), and the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA). This broadened system of reciprocal health care delivery is referred to as the Uniformed Services Health Care System.

     c. The size and diversity of the beneficiary population make accounting for and allocating Uniformed Services medical resources complex and difficult. This situation was complicated by the lack of any system to accurately define the population demographically.

     d. Congress directed the Department of Defense to initiate a program to Improve the control and distribution of available military health care services, to improve the projection and allocation of costs for existing and future health care programs, and to minimize the fraudulent use of military health benefits by unauthorized persons. The Department of Defense recognized that such a program would require the establishment of a data base containing the identity and geographic location of all persons entitled to receive military health care services. This task was complicated by the fact that maintenance and availability of the requisite data were not standardized throughout the participating Uniformed Services.

     e. The following examples illustrate the problems that confronted the Department of Defense. Dependent data for all of the Uniformed Services was not available in a central repository and existed primarily on separate source documents maintained in each service member's personnel file; full sponsor data files were not available to the Department of Defense from the USCG, USPHS, and NOAA; maintenance of the data that was available was not standardized; and there was no mechanism to combine the available sponsor and dependent data. An initial need, therefore, was the collection of this information from all participating Uniformed Services by a system that would permit its use in managing health benefits programs for members of the Uniformed Services and other authorized beneficiaries.

     f. In 1975, the Military Health Care Study, a Presidentially commis-sioned effort, was conducted by the Department of Defense; the Department of Health, Education, and Welfare; and the Office of Management and Budget. Several of their recommendations focused on the conclusion that military health care planning and resources should be based primarily on the size and demographic characteristics of the population to be served. Implementation of their recommendations required the development of a system to collect and process beneficiary population information. In their supplemental report, the Military Health Care Study included an analysis on the potential benefits of an enrollment system in satisfying the need for a population data base. Paralleling this effort, the General Accounting Office (GAO) and the Defense Audit Service (DAS) recommended that action be taken to ensure that DoD health benefits were provided only to eligible beneficiaries. The GAO agreed that an enrollment/eligibility system would satisfy the intent of their recommendations.

g. From 1976 to July 1979, the Department of Defense conducted a series of studies and a demonstration project to establish the feasibility of alternative methodologies to support the enrollment/eligibility concept. Two objectives were identified. The first was to collect and provide, for management use, demographic and **sociographic** data on the population entitled to receive DoD health benefits; and the second was to substantially reduce the fraud and misuse of those benefits.

h. To satisfy these objectives, the Office of the Assistant Secretary of Defense (Health Affairs) **(OASD(HA)),** in coordination with the Office of the **Assistant** Secretary of Defense (Manpower, Reserve Affairs, and Logistics) **(OASD(MRA&L)),** established the DEERS Program in Fiscal Year **(FY)** 1979. They are now cosponsors of the program.

i. The DEERS Program Office was established in 1979 to manage the development and operation of DEERS. In September of that year, a contract to assist in the design, development, implementation, and maintenance of DEERS was awarded to Electronic Data Systems. Data collection for the initial phase of this system began in November 1979 in Uniformed Services facilities located in southeastern Virginia and northeastern North Carolina. Systems operations began in these facilities in February 1980. Since that time, **the** original objectives and scope of DEERS have been broadened to include the maintenance of eligibility status for other Uniformed Services benefits and the ability to interface with other DoD systems and programs.

3. Environment

a. Management. The Assistant Secretary of Defense (Health Affairs) **(ASD(HA))** and the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) **(ASD(MRA&L))** establish **policy** for the DEERS Program. The authority for executing DEERS **policy** resides with the DEERS Program Manager in the DEERS Program Office. To assist the DEERS Program Office, the sponsors established a DEERS Steering Group to provide **policy guidance and a DEERS Work** Group to provide liaison with the Uniformed Services and DoD Components in the implementation and operation of DEERS. The contractor participates in an advisory capacity. Support also is provided by Work Group Committees of representatives from the DoD Components and the Uniformed Services in functional areas like personnel, medical, information dissemination, and automated data processing **(ADP)** and communications.

b. DEERS Systems. Implementation of DEERS required the development of the following component systems. These systems function as described below:

(1) The DD1172 Interface System provides source document control and converts beneficiary source data, transmitted on verified **DD** Forms 1172 (Application for Uniformed Services Identification and Privilege Card), to machine-readable media for input to the Enrollment System.

(2) The Enrollment System combines data from the **DD1172** Interface System with sponsor records received on machine readable media from the Uniformed Services into an integrated data base. This system produces individual identification records for the Eligibility System and generates management and demographic reports.

1-3

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(3) The Eligibility System provides beneficiary eligibility status to authorized users. This system includes the communications network and data base necessary to support users. It also produces management reports.

c. Interface Systems. DEERS is developing interfaces with other systems which will enable utilization of the DEERS data bases.

(1) DEERS and CHAMPUS

(a) CHAMPUS helps defray expenses for civilian health care rendered to authorized dependents of active duty Uniformed Services personnel, to retired Uniformed Services personnel and their authorized dependents, and to authorized dependents of deceased active duty and deceased retired personnel. CHAMPUS uses fiscal intermediaries (FIs) located around the country to process claims submitted by either the beneficiary or the provider of health services.

(b) In order to ensure that funds are expended only for services to eligible participants, DEERS eligibility confirmation is included in the CHAMPUS claims-processing operation. FIs access the DEERS data base for two applications: CHAMPUS claims development and CHAMPUS eligibility confirmation. These applications are discussed in sections B. and C. of Chapter 5.

(2) DEERS and TRIMIS

(a) In 1975, the Department of Defense initiated the Tri-Service Medical Information System (TRIMIS) Program. TRIMIS is a long-term program to aid medical personnel in the management of health care facilities. The TRIMIS program will eventually integrate several medical information sYstems across all services. TRIMIS systems are initially scheduled for use at the larger military hospitals.

(b) DEERS and TRIMIS, will provide unique benefits to the military medical community. The TRIMIS systems, currently in place or under development, include a pharmacy system, medical records system, laboratory system, and a patient administration system. Most TRIMIS systems have a requirement for demographic information. The majority of this information will be gathered by DEERS through its enrollment process, thereby minimizing the burden upon personnel for redundant data collection efforts.

(3) DEERS and the Uniformed Services Identification (ID) Card

(a) The Uniformed Services ID card is intended to provide positive identification of the cardholder to establish eligibility for certain benefits and privileges administered by the Uniformed Services. These entitlements include health care, the use of commissaries and exchanges, and welfare and recreation activities. The current ID system has received close scrutiny from the GAO and the DAS. These agencies have identified gross abuses in the present system and estimate that the fraudulent use of this card results in millions of misspent dollars annually. An inordinate number of these ID cards are either lost or stolen each year. Furthermore, the current card is easily altered and counterfeited.

(b) Congress has recommended strongly that improved control and accountability measures be implemented for validating benefit entitlements. These recommendations have included the strengthening of controls over the issue and recovery of ID cards and the linking of the ID card to DEERS for validation of entitlements.

(c) A new ID card system concept, the Real-Time Automated Personnel Identification System (RAPIDS), is under development. The **RAPIDS-DEERS** Interface is shown in Figure 1-1. It depicts a means for producing and issuing a computerized ID card at Uniformed Service installations. The on-line interface of the ID card process and DEERS will provide an effective means for reducing errors and the administrative burden. When tied to the computer, the production **of** the card ceases to be a time-consuming, error-prone process. Second, the ability to confirm entitlements through DEERS eligibility checks of the cardholder **will** assist in the attainment of improved management and control of the card itself. The on-line, two-way flow of data, as shown, will not only simplify ID card production, but also will ensure consistency of information on the ID card and in the data bases of DEERS. This is considered vital since the ultimate success of this program will be measured by the impact on those entitled to benefits administered by the Uniformed Services.

(d) RAPIDS will also have an off-line capability to produce cards and retain appropriate data. This data will be used for later entry into DEERS in case of primary system saturation or failure. This **will** preclude interrupt ion of ID card processing. It is envisioned that this requirement can be fulfilled by incorporating a disc or tape-recording device with the ID card production equipment. In this manner, cards can be produced, and mirror-image ID card data can be recorded while equipment is operated in an off-line mode. Subsequently, the acquired data can be transmitted for batch entry into **DEERS.**

d. <u>Facilities</u>. Facilities for supporting the DEERS component systems and interfaces are described below:

‘ (1) The **DD1172** Interface System data conversion and source document control functions are performed by the contractor at the DEERS Enrollment Processing Center in Santa Barbara, California.

(2) The Enrollment System is managed by the Defense Manpower Data Center **(DMDC),** under the policy direction of the **OASD(MRA&L).** The Enrollment System Division of **DMDC,** located in Monterey, California, uses DoD computer resources housed at the Naval Postgraduate School, also **in** Monterey. A direct access storage capacity in excess of 3 billion bytes is required to support the Enrollment Data Base and to satisfy the Enrollment System overhead requirements.

(3) The Eligibility System **is** supported by two facilities. The East Coast Eligibility Center is located **in** Alexandria, Virginia, and uses one government-furnished Hewlett-Packard 3000 series 44 minicomputer and a series 111 minicomputer with 2 billion bytes of on-line storage. The West Coast Eligibility Center, which duplicates the hardware resources installed in Alexandria, Virginia, is located in Monterey, California. This center services Eligibility System needs originating west of the Mississippi River, while the East Coast Facility supports the eastern regions of the United States. The two Eligibility Centers, each with a full Eligibility Data Base, are linked together to **provide** backup support for DEERS queries in the event one of the computers is not

B3

operating. The Eligibility System includes the telecommunications and voice network required to support all authorized users with on-line access to the DEERS Eligibility Centers. Defense Communications Agency **(DCA)** procedures and resources have been used when possible in designing and implementing the DEERS communications network.

(4) The DEERS Support Office **(DSO),** located in Monterey, California, reports to the DEERS Program Office and has contractual support. The DSO performs the functions of ensuring data integrity, conducting research, monitoring field maintenance, and providing customer relations. This office has access to **the** files created by all three component systems of DEERS.

B. <u>PROJECT OVERVIEW</u>

1. To ensure efficient and manageable implementation, and to ease the burden of the sponsors and dependents involved in initial enrollment, the continental United States (CONUS) was divided into 12 phases (see Chapter 2). The first phase was a test area in southeastern Virginia and northeastern North Carolina. Through this test, concepts of **DEERS** were refined and validated for implementation throughout CONUS. These concepts were further refined in North Carolina **and** the central West Coast during the summer and fall of 1980. Worldwide system implementation should be completed by **FY** 1984. Maintenance of the system is required on a continuing basis.

2. Each implementation phase consists of two parts. The first **is** the <u>enrollment</u> of beneficiaries. The second is confirming the <u>eligibility</u> of beneficiaries for health care. Members of the Uniformed Services are enrolled automatically. A sponsor with dependents <u>must</u> enroll **all** eligible dependents (including those under 10 years of age). Dependents are enrolled using procedures consistent with the completion of a **DD** Form 1172.

3. Retired service members who are entitled to retirement pay **are** automatically enrolled. However, they must enroll their eligible dependents. Survivors (a dependent spouse whose sponsor **is** deceased) must enroll themselves and their dependents. An enrollment packet is mailed to all known retirees and survivors receiving annuities in each phase as DEERS is implemented. Local installations shall be prepared to assist retirees and survivors in enrolling. An information dissemination effort **shall** inform **all** beneficiaries of the program and how individuals may enroll (see Chapter 6).

4. To reduce the administrative burden at Uniformed Service installations, contractor-furnished clerical employees (augmenters) are often provided by the DEERS Program Office during initial enrollment and eligibility checking to help enroll dependents and train base personnel (see Chapter 4). It **is** the responsibility of each command to use the temporary help effectively. Failure to do so may place an undue administrative burden upon the command.

5. After verification by a personnel officer, a copy of the **DD** Form 1172 is sent to the DEERS Enrollment Processing Center for data entry. The DEERS Enrollment Processing **Center** records the **dependent data and** transfers it from the **DD** Form 1172 to machine readable media for entry onto the Enrollment Data Base.

This information identifying eligible beneficiaries is matched with the sponsor data, and the Enrollment Data Base is updated. (The Eligibility Data Base, housed at both the East Coast and West Coast Eligibility Centers, then is **updated** with the data elements required to conduct an eligibility check.)

6. In order to minimize the redundancy of data collection efforts and storage requirements, as well as to maintain the integrity of the data base, personnel offices shall meticulously review and verify **DD** Forms 1172 and assist **in** their preparation as required.

7. Personnel offices at bases within the areas of implementation shall, on a continuing basis, prepare and verify **DD** Forms 1172 for all those who use the **DD** Form 1172 as an application for identification cards. Even though cards may not be issued in the enrollment process, verifying officers shall exercise the same degree of thoroughness for DEERS enrollment and maintenance as they would for card issuance, since both procedures establish entitlement to benefits. The eligibility for these benefits shall be based upon the information entered into DEERS from the **DD** Form 1172, matched with the automated system sponsor data from the Uniformed Services' personnel or finance systems. Experience has shown that enrollment of dependents is most successful when the commanding officer actively supports achieving 100 percent enrollment.

8. The second part of each phase, eligibility checking, has several functions. It provides for the confirmation of beneficiary eligibility for medical care. It provides a means to increase the reliability of the data base, and it also helps to identify those beneficiaries who have not enrolled.

9. Medical treatment facilities **(MTFs)** and dental treatment facilities **(DTFs)** shall check eligibility using either a cathode ray tube (CRT) terminal or telephone, depending upon traffic volume. Chapter **5** describes eligibility checking procedures at the MTFs and DTFs and by CHAMPUS. CRAMPUS eligibility checking shall be done through "on-line real-time" and **"batch"** computer-to-computer access. Chapter 7 documents the procedures required for the installation of telephones and CRT terminals.

10. Eligibility Centers on the East and West Coasts shall provide timely confirmation of beneficiary entitlement to MTFs and **DTFs,** CHAMPUS FIs, personnel offices, and other authorized users.

C. <u>POTENTIAL APPLICATIONS</u>

1. The establishment of the DEERS data base and communications network will provide planners and **policymakers** within the Uniformed Services organizations with a readily accessible source of information with which to determine requirements, budget, authorize, and allocate the resources necessary to deliver and monitor the benefits authorized to eligible beneficiaries.

2. DEERS will reduce the need for population demographic **surveys.** DEERS data can be integrated into population-based planning and simulation models for resource management systems, like those requiring population data for sizing programs and facilities, such as hospitals, base housing, schools, **commissaries,**

and exchanges.   The data will be available to base-level and headquarters managers.

3.   The potential exists for greatly facilitating the personnel management aspects of mobilization and contingencies.   DEERS could expedite, from a personnel management position and at a critical time, the mobilization of Guard and reserve units, ensuring their addition to the roles of the Eligibility Data Base.   During mobilization and contingencies, the Armed Services Medical Regulating Office can use DEERS as a means to transmit information on patients transferring between **aeromedical** staging facilities and hospitals.   At the same time, the system can be interfaced with the Uniformed Services' personnel systems for update and maintenance and to provide assistance in the evacuation and relocation of dependents.

4.   There also is potential for making great improvements in personnel administration.   Through the enrollment process, DEERS already has improved the accuracy of personnel files and master tapes. Downstream, as the transmission of data is automated and as DEERS interfaces with the proposed new identification card system, significant time and money will be saved in personnel administration, data reduction, and maintenance.

5.   **DEERS's** extensive data bases, communications network, and on-line access have universal application in these and many other areas requiring interface for planning, programing, resource allocation, and eligibility verification.
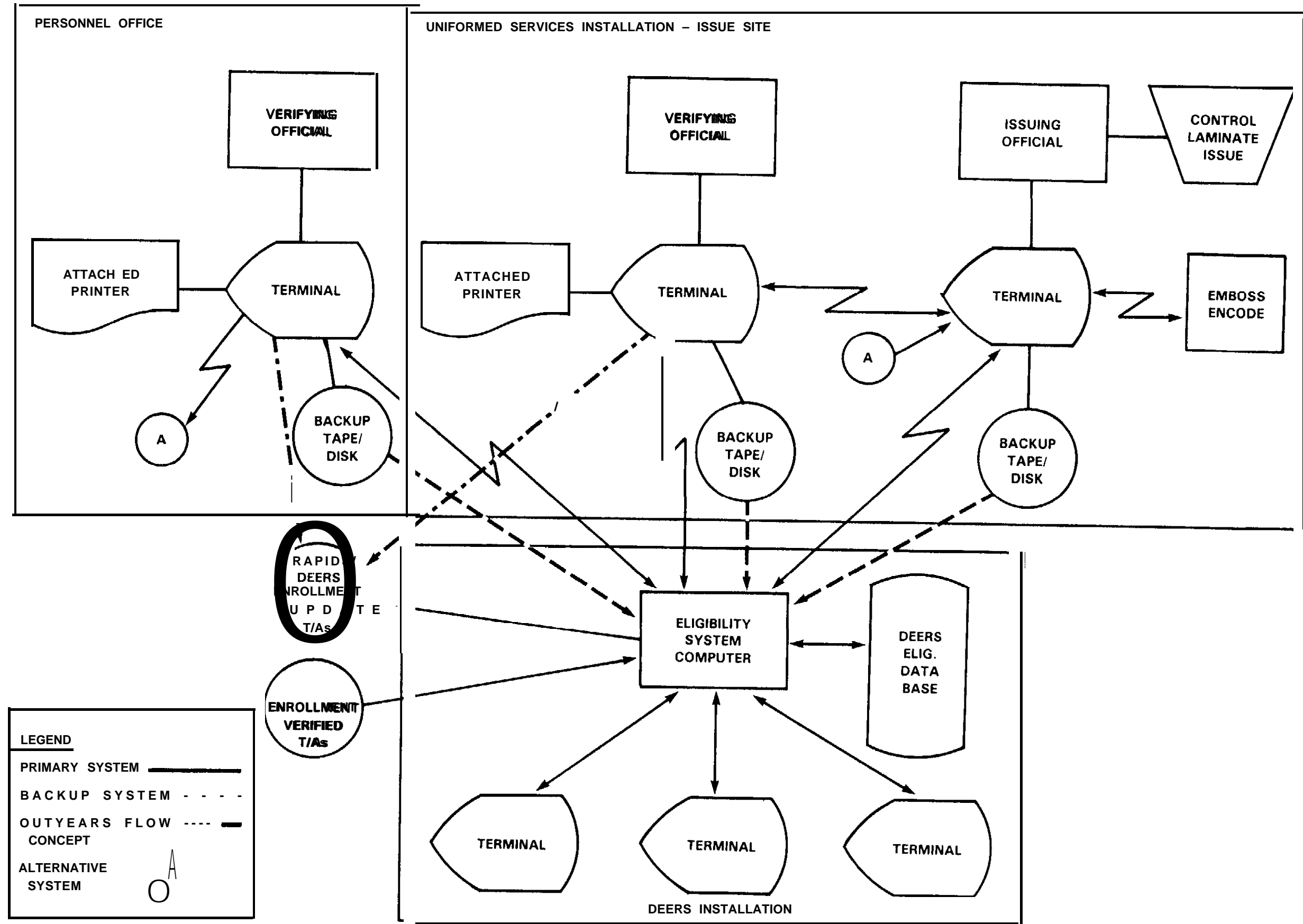
RAPIDS – DEERS INTERFACE

PERSONNEL OFFICE

UNIFORMED SERVICES INSTALLATION – ISSUE SITE

VERIFYING OFFICIAL

VERIFYING OFFICIAL

ISSUING OFFICIAL

CONTROL LAMINATE ISSUE

ATTACH ED PRINTER

TERMINAL

ATTACHED PRINTER

TERMINAL

TERMINAL

EMBOSS ENCODE

A

A

BACKUP TAPE/ DISK

BACKUP TAPE/ DISK

BACKUP TAPE/ DISK

RAPIDS DEERS ENROLLMENT UPDATE T/As

ENROLLMENT VERIFIED T/As

ELIGIBILITY SYSTEM COMPUTER

DEERS ELIG. DATA BASE

LEGEND

PRIMARY SYSTEM ──────

BACKUP SYSTEM – – – –

OUTYEARS FLOW ──── ▬
CONCEPT

ALTERNATIVE SYSTEM

TERMINAL

TERMINAL

TERMINAL

DEERS INSTALLATION

Figure 1-1

1-9